



**Kahibah Bowling Club
Co-op Ltd**

ABN 52 069 232 319

**Annual Financial Report
for the year ended 31 May 2025**

Kahibah Bowling Club Co-op Ltd ABN 52 069 232 319
Annual financial report for the year ended 31 May 2025

Contents

	Page
Directors' report	3-5
Auditor's independence declaration	6
Financial statements	
Statement of profit or loss and other comprehensive income	7
Statement of financial position	8
Statement of changes in equity	9
Statement of cash flows	10
Notes to the financial statements	11-19
Directors' declaration	20
Independent auditor's report to the members	21-23

These financial statements are the financial statements of Kahibah Bowling Club Co-operative Limited. The financial statements are presented in the Australian currency.

The financial statements were authorised for issue by the Directors on 28 July 2025. The Directors have the power to amend and reissue the financial statements.

Director's report

Your Directors present their report on Kahibah Bowling Club Co-operative Limited (the Club) for the year ended 31 May 2025.

Directors details

The following persons were Directors of Kahibah Bowling Club Co-operative Limited during the financial year, and up to the date of this report:

Mrs Sarah McEwan

Chairperson
Director since 2019

Currently Company Director of Sarjo Conveyancing Pty Limited. Worked for over a decade in a large law firm and then in business since 2016. Obtained qualifications through Macquarie University Division of Law, Sydney. Also attended Power Business College following HSC in 2001 to complete Business Diploma prior to University.

Mr Chris Mogg

Director
Director since 2022

Retired Finance Professional, main role in managing electricity hedging and futures contracts, trading in the Wholesale Electricity Market, finishing up at Macquarie Generation. Bachelor of Commerce.

Mr Neville White

Director
Director since 2023

Retired Mechanical Engineer. Commissioned Eraring and Bayswater Power Stations. Site Manager at Bayswater and Liddell Power Stations for defect and overhaul works. Project Manager for sites on the 3G Telecommunication Roll Out in Sydney and for Telstra in NSW. Project Manager with Worley Parsons at Tomago Aluminum and other sites from Head Office until retirement.

Mr John Molyneux

Director
Director since 2024

Retired Management Professional. Long-time Club member and bowler, brings 54 years of printing industry experience, including 35 years in management roles at Hunter Water and Lake Macquarie Council, and holds a Diploma of Management (BSB 51107).

Mr Todd McEwan

Deputy Chairperson
Director since 2017

Chief Operating Officer for St Vincent's Public Hospital in Sydney. Has worked for 30 years in the public health sector as a nurse and departmental manager. Qualifications include DipAppSci (Nursing) Newcastle, Bbus (Economics/Politics) Southern Cross.

Mr Damien Ingle

Director
Director since 2022

Company director and owner of Ingle and Associates Pty Ltd since 2004 and SolOrient Pty Limited since 2010. 25 years experience across roles in retail, accounting and software development. Master of Business and Technology UNSW Diploma Computing Studies University of Newcastle Accounting Certificate Hunter TAFE.

Mrs Susan Tripet

Director
Director since 2023

Retired School Teacher, worked at Kahibah Public School for 28+ years, teaching special needs children, with a wide variety of needs. Numerous volunteer roles on local sporting bodies.

Mr Barry Butters

Director until 2024

National Sales Manager for a U S based Healthcare Company responsible for the South Pacific. Australia and New Zealand. Member of Castle Hill Bowling Club and held the positions of Director, President and Chairman.

Director's report (continued)

Director's meetings

The number of meetings the Directors held during the year and the number of meetings attended by each director is as follows:

Board members	Board meetings		
	A	B	
Mrs Sarah McEwan	5	5	
Mr Todd McEwan	5	5	
Mr Chris Mogg	5	5	
Mr Damien Ingle	5	4	
Mr Neville White	5	5	
Mrs Susan Tripet	5	5	
Mr John Molyneux	Elected at AGM	4	4
Mr Barry Butters	Deceased	1	1

Where:

- column A: the number of meetings the Director was entitled to attend
- column B: the number of meetings the Director attended

The Annual General Meeting (AGM) was held 24 August 2024

Core and non-core property

Pursuant to Section 41E(5) of the Registered Clubs Act 1976 (NSW) for the financial year ended 31 May 2025, the following land and buildings are considered to be core and non-core property:

Core	- Land and buildings upon which the Club and carpark are situated, being 63 Kenibea Avenue, Kahibah, NSW 2290.
Non-Core	- 5-114 Kahibah Road, Kahibah, NSW - 9-114 Kahibah Road, Kahibah, NSW

Principal activities

During the year, the principal activities of the Club was the running of a licensed Club for the benefit of its members and to meet the Club's objectives under its constitution.

There have been no significant changes in the nature of these activities during the year.

Review of operations and financial results

The Club generated a profit for the year of \$728,342 compared to a profit of \$253,417 recorded in the previous year.

	2025	2024	Change
	\$	\$	\$
Revenue	3,901,512	3,646,223	255,289
Other income including Grant funding	878,704	603,474	275,230
Total trading revenue	4,780,216	4,249,697	530,519
Expenses excluding interest, depreciation and amortisation	(3,551,325)	(3,492,996)	(58,329)
Trading Result before interest, depreciation and amortisation			-
EBITDA	1,228,891	756,701	472,190
Depreciation and amortisation	(422,164)	(395,444)	(26,720)
Interest expenses and finance costs	(78,385)	(107,840)	29,455
Net profit / (loss) for the year	728,342	253,417	474,925
Operating cashflow	1,036,793	291,102	745,691

Significant changes in state of affairs

There have been no significant changes in the state of affairs of the Club during the financial year.

Director's report (continued)

Events since the end of the financial year

No matters or circumstances have arisen since the end of the financial year which significantly affected or may significantly affect the operations of the Club, the results of those operations, or the state of affairs of the Club in future financial years.

Likely developments and expected results of operations

No new likely developments are anticipated in the operations of the Club. The expected results for future years are of growth in revenue whilst the Club will control costs wherever possible.

Environmental regulation

The Club's operations are not regulated by any significant environmental regulations under the law of the Commonwealth or of a state or territory of Australia.

Dividends paid or recommended

The Club is prohibited from paying dividends under its constitution.

Options

No options over issued shares or interests in the Club were granted during or since the end of the financial year and there were no options outstanding at the date of this report.

Indemnifying Officer or Auditor

The Club has, not during or since the end of the financial year, in respect of any person who is or has been an officer or auditor of the Club indemnified or made any relevant agreements for indemnifying against a liability incurred as an officer, including costs in successfully defending legal proceedings.

During the financial year, the Club has paid a premium in respect of a contract of insurance insuring Directors and Officers (including former and future Directors and Officers) against certain liabilities incurred in that capacity. Disclosure of the total amount of premiums and the nature of the liabilities in respect of such insurance is prohibited by the contract of the insurance.

Rounding of amounts

The Club is of a kind referred to in ASIC Legislative Instrument 2016/191, relating to the 'rounding off' of amounts in the Directors' report. Amounts in the Directors' report have been rounded off in accordance with the instrument to the nearest dollar.

Auditor's independence declaration

A copy of the auditor's independence declaration as required under the Co-operatives National Law (NSW) is set out on page 6 and forms part of this Directors' report.

This report is made in accordance with a resolution of the Directors.



Sarah McEwan - Chairperson



Todd McEwan - Deputy Chairperson

Dated: 28 July 2025
Kahibah, NSW

Auditor's independence declaration

To the Directors of Kahibah Bowling Club Co-operative Limited

In accordance with section 307C of the *Corporations Act 2001*, I declare to the best of my knowledge and belief, in relation to the audit of the financial report of Kahibah Bowling Club Co-operative Limited for the year ended 31 May 2025 there have been:

- (a) no contraventions of the auditor independence requirements of the *Corporations Act 2001* in relation to the audit; and
- (b) no contraventions of the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants (including Independence Standards)* in relation to the audit.



Shaun Mahony - Partner



Pitcher Partners NH Partnership
Chartered Accountants

Dated: 28 July 2025
Newcastle, NSW

Statement of profit or loss and other comprehensive income

For the year ended 31 May 2025

	Notes	2025 \$	2024 \$
Revenue from continuing operations	2	3,901,512	3,646,223
Other Income	3	878,704	603,474
Bar cost of goods sold		(567,617)	(579,224)
Bar direct expenses		(332,214)	(350,319)
Greens direct expenses		(70,255)	(68,749)
Gaming direct expenses		(672,996)	(620,262)
Rental operations		(12,857)	(3,234)
Members amenities		(620,239)	(535,342)
Clubhouse expenses		(670,105)	(678,306)
Administration expenses		(931,480)	(966,740)
Finance costs		(78,385)	(107,840)
Bowling Activities		(95,726)	(86,264)
		(4,051,874)	(3,996,280)
(Loss) / profit before income tax		728,342	253,417
Income tax expense		-	-
(Loss) / profit for the year		728,342	253,417
Other comprehensive income		-	-
Other comprehensive income for the year, net of tax		-	-
Total comprehensive (loss) / income for the year		728,342	253,417

The above *statement of profit or loss and other comprehensive income* should be read in conjunction with the accompanying notes

Kahibah Bowling Club Co-operative Limited
Statement of financial position
For the year ended 31 May 2025

	Notes	2025 \$	2024 \$
ASSETS			
Current assets			
Cash and cash equivalents	4	309,003	278,405
Trade receivables	5	31,687	22,561
Inventories	6	67,909	57,642
Financial assets at amortised cost	7	22,698	20,975
Other assets	8	78,065	66,142
Total current assets		509,362	445,725
Non-current assets			
Property, plant and equipment	9	5,760,711	5,292,369
Investment properties	10	1,765,000	1,765,000
Intangible assets	11	96,000	96,000
Lease assets	16	276,131	137,770
Total non-current assets		7,897,842	7,291,139
Total assets		8,407,204	7,736,864
LIABILITIES			
Current liabilities			
Trade and other payables	12	180,413	271,044
Financial liabilities	13	140,911	177,368
Provisions	14	73,427	58,955
Other liabilities	15	30,171	14,444
Lease liabilities	16	76,537	59,376
Total current liabilities		501,459	581,187
Non-current liabilities			
Financial liabilities	13	1,052,434	1,126,069
Provisions	14	5,315	10,505
Other liabilities	15	4,184	4,184
Lease liabilities	16	142,864	42,313
Total non-current liabilities		1,204,797	1,183,071
Total liabilities		1,706,256	1,764,258
Net assets		6,700,948	5,972,606
MEMBERS FUNDS			
Reserves	17	2,086	2,086
Retained profits		6,698,862	5,970,520
Total members funds		6,700,948	5,972,606

The above *statement of financial position* should be read in conjunction with the accompanying notes

Kahibah Bowling Club Co-operative Limited
Statement of changes in equity
For the year ended 31 May 2025

	Reserves	Retained	Total
	\$	\$	\$
Balance at 1 June 2023	2,086	5,717,103	5,719,189
Profit/(Loss) for the year	-	253,417	253,417
Total comprehensive income for the year	-	253,417	253,417
Balance at 31 May 2024	2,086	5,970,520	5,972,606
Profit/(Loss) for the year	-	728,342	728,342
Total comprehensive income for the year	-	728,342	728,342
Balance at 31 May 2025	2,086	6,698,862	6,700,948

The above *statement of changes in equity* should be read in conjunction with the accompanying notes

Statement of cash flows

For the year ended 31 May 2025

	Notes	2025 \$	2024 \$
Cash flows from operating activities			
Receipts from members and customers		4,482,537	4,169,032
Payments to suppliers and employees		(4,128,909)	(4,027,299)
Interest paid		(78,385)	(107,840)
Insurance recoveries		761,550	7,209
Government funding		-	250,000
Net cash (outflow) inflow from operating activities		1,036,793	291,102
Cash flows from investing activities			
Payments for property, plant and equipment		(818,886)	(436,054)
Net cash outflow from investing activities		(818,886)	(436,054)
Cash flows from financing activities			
Proceeds from borrowings		1,020,456	369,681
Repayment of borrowings		(1,130,548)	(244,477)
Repayment of lease liabilities		(77,217)	(63,259)
Net cash inflow from financing activities		(187,309)	61,945
Net (decrease) increase in cash and cash equivalents		30,598	(83,007)
Cash and cash equivalents at the beginning of the financial year		278,405	361,412
Cash and cash equivalents at the end of the financial year		309,003	278,405

The above *statement of cash flows* should be read in conjunction with the accompanying notes

Notes to the financial statements

For the year ended 31 May 2025

1 Summary of material accounting policies

(a) Information about the entity

- Kahibah Bowling Club Co-operative Limited is a Co-operative.
- Kahibah Bowling Club Co-operative Limited is a not for profit entity for the purpose of preparing the financial report.
- The registered office of the Club is 63 Kenibea Ave, Kahibah NSW 2290.
- The principal place of business of the Club is 63 Kenibea Ave, Kahibah NSW 2290.

(b) Basis of preparation

This financial report is a general purpose financial report that has been prepared in accordance with Australian Accounting Standards - Simplified Disclosures and the Co-operatives National Regulations (NSW) 2014. Kahibah Bowling Club Co-operative Limited (the Club) is a not for profit entity for financial reporting purposes under Australian Accounting Standards.

(c) Material accounting policy information

The material accounting policies applied in the preparation of this financial report are consistent with the previous period unless otherwise stated.

(d) Statement of compliance

This financial report complies with AASB 1060 General Purpose Financial Statements - Simplified Disclosures for For-Profit and Not-for Profit Tier 2 Entities as issued by the Australian Accounting Standards Board (AASB).

The financial report has been prepared on an accruals basis and is based on historical costs, except investment property which has been measured at fair value. The financial report is presented in Australian Dollars.

(e) Income Taxes

The Club is exempt from income tax under section 50-45 of the Income Tax Assessment Act 1997.

(f) Goods and Services Tax

Revenues, expenses and assets are recognised net of the amount of associated GST, unless the GST incurred is not recoverable from the Australian Taxation Office (ATO). In this case, it is recognised as part of the cost of acquisition of the asset or as part of the expense.

Receivables and payables are stated inclusive of the amount of GST receivable or payable. The net amount of GST recoverable from, or payable to, the ATO is included with other receivables or payables in the statement of financial position.

Cash flows are presented on a gross basis. The GST components of cash flows arising from investing or financing activities which are recoverable from, or payable to the ATO, are presented as operating cash flows.

(g) Rounding of amounts

The Club is of a kind referred to in ASIC Legislative Instrument 2016/191, relating to the 'rounding off' of amounts in the financial statements. Amounts in the financial statements have been rounded off in accordance with the instrument to the nearest dollar.

Notes to the financial statements

For the year ended 31 May 2025

2 Revenue**(a) Disaggregation of revenue from contracts with customers**

The Club derives revenue from the transfer of goods and services over time and at a point in time for the following services:

	Beverage Revenue	Rental revenue	Gaming revenue	Raffle revenue	Bowls revenue	Other revenue	Total
2025	\$	\$	\$	\$	\$	\$	\$
Revenue from contracts with customers	1,605,539	-	1,639,518	257,991	65,147	209,910	3,778,105
Other revenue (not covered by AASB15)	-	106,227	17,180	-	-	-	123,407
	<u>1,605,539</u>	<u>106,227</u>	<u>1,656,698</u>	<u>257,991</u>	<u>65,147</u>	<u>209,910</u>	<u>3,901,512</u>

Timing of revenue recognition

At a point in time	1,605,539	-	1,639,518	257,991	65,147	185,558	3,753,753
Over time	-	106,227	17,180	-	-	24,352	147,759
	<u>1,605,539</u>	<u>106,227</u>	<u>1,656,698</u>	<u>257,991</u>	<u>65,147</u>	<u>209,910</u>	<u>3,901,512</u>

	Beverage Revenue	Rental revenue	Gaming revenue	Raffle revenue	Bowls revenue	Other revenue	Total
2024	\$	\$	\$	\$	\$	\$	\$
Revenue from contracts with customers	1,584,559	-	1,465,808	217,436	64,855	183,090	3,515,748
Other revenue (not covered by AASB15)	-	113,295	17,180	-	-	-	130,475
	<u>1,584,559</u>	<u>113,295</u>	<u>1,482,988</u>	<u>217,436</u>	<u>64,855</u>	<u>183,090</u>	<u>3,646,223</u>

Timing of revenue recognition

At a point in time	1,584,559	-	1,465,808	217,436	64,855	151,431	3,484,089
Over time	-	113,295	17,180	-	-	31,659	162,134
	<u>1,584,559</u>	<u>113,295</u>	<u>1,482,988</u>	<u>217,436</u>	<u>64,855</u>	<u>183,090</u>	<u>3,646,223</u>

(b) Accounting policies and significant judgements

The Club recognises revenue related to the transfer of promised goods or services when a performance obligation is satisfied and when control of the goods or services passes to the customer. The amount of revenue recognised reflects the consideration to which the Club is or expects to be entitled in exchange for those goods or services.

The Club considers whether there are separate performance obligations to which a portion of the transaction price needs to be allocated (e.g. Loyalty Points Program). In determining the transaction price for the sale of goods, the Club considers the effects of variable consideration, the existence of significant financing components, non-cash consideration, and consideration payable to the customer (if any).

(i) Sale of goods - beverage revenue

Revenue from the sale of beverages is recognised at a point in time when the physical control of the goods passes to the customer.

(iii) Provision of services - rental revenue

Rental revenue is recognised in the statement of profit or loss and other comprehensive income overtime on a straight line basis with reference to the applicable CPI increases, discount rates and any relevant rental incentives over the term of the lease.

(iii) Provision of services - gaming revenue

Revenue from rendering services from gaming facilities to members and other patrons of the club is recognised at a point in time when the services are provided. Gaming revenue is measured at the fair value of the consideration received from the net position of the wagers placed less customer winnings paid out. Commission income where the Club acts as an agent for third parties who provide wagering services to members and guests is recognised at a point in time when the wagering transaction has been completed.

Notes to the financial statements

For the year ended 31 May 2025

2 Revenue (continued)

(iv) *Provision of services - raffle revenue*

Raffle revenue is recognised at a point in time when the customer takes possession of the ticket and the raffle event has been conducted as at this point the performance obligations have been satisfied.

(v) *Provision of services - bowls revenue*

Revenue from rendering services from bowling activities is recognised at a point in time when the game of bowls has been completed as at this point the performance obligations have been satisfied.

(vi) *Other revenue*

Included within other revenue is membership subscriptions which are recognised over the term of membership and any unearned portion is deferred and included in contract liabilities. Membership revenue is measured with reference to the fee received and the period of membership that the member has paid for.

The balance of other revenue is recognised at a point in time when the performance obligation has been satisfied.

3 Other income and expense items

	2025	2024
	\$	\$
(a) Other income		
Grant funding	13,200	500,000
Change in fair value of investment properties	-	35,000
Rental income	103,954	61,265
Insurance recoveries	761,550	7,209
	878,704	603,474

(i) *Grant funding*

The Club recognises grant revenue at a point in time upon completion of the underlying project.

(ii) *Rental income*

Rental income is recognised in the statement of profit or loss and other comprehensive income on a straight line basis over the term of the lease. The Club recognises rental revenue on a straight line basis with reference to the applicable CPI increases, discount rates and any relevant rental incentives.

(iii) *Insurance recoveries*

The Club recognises income from insurance claims when an insured event has occurred and the realisation of the insurance recovery is virtually certain.

(b) Other expenses

Employee benefits expense	960,283	961,492
Interest costs	78,385	107,840
Depreciation and amortisation	422,164	395,444

Notes to the financial statements

For the year ended 31 May 2025

4 Cash and cash equivalents

	2025	2024
	\$	\$
Current		
Cash and cash equivalents	309,003	278,405
	<u>309,003</u>	<u>278,405</u>

Accounting policy

Cash and short-term deposits in the Statement of financial position comprise cash at bank and in hand and short-term deposits with an original maturity of three months or less. For the purpose of the Statement of cash flows, cash and cash equivalents consist of cash and cash equivalents as defined above, net of outstanding bank overdrafts.

5 Trade receivables

Current		
Trade receivables	31,687	22,561
	<u>31,687</u>	<u>22,561</u>

6 Inventories

Current		
Stock on hand - bar	67,909	57,642
	<u>67,909</u>	<u>57,642</u>

7 Financial assets at amortised cost

Current		
Term deposits	6,478	6,478
Other receivables	16,220	14,497
	<u>22,698</u>	<u>20,975</u>

8 Other assets

Current		
Prepayments	78,065	66,142
	<u>78,065</u>	<u>66,142</u>

Notes to the financial statements

For the year ended 31 May 2025

9 Property, plant and equipment

	Land and buildings	Plant and equipment	Poker machines	Total
	\$	\$	\$	\$
Non-current assets				
At 1 June 2024				
Cost	6,246,675	2,213,212	1,692,285	10,152,172
Accumulated depreciation	(2,251,994)	(1,244,510)	(1,363,299)	(4,859,803)
Net book amount	<u>3,994,681</u>	<u>968,702</u>	<u>328,986</u>	<u>5,292,369</u>
Year ended 31 May 2025				
Opening net book amount	3,994,681	968,702	328,986	5,292,369
Additions	23,063	681,818	137,587	842,468
Depreciation charge	(140,128)	(124,476)	(109,522)	(374,126)
Closing net book amount	<u>3,877,616</u>	<u>1,526,044</u>	<u>357,051</u>	<u>5,760,711</u>
Year ended 31 May 2025				
Cost	6,269,737	2,895,026	1,722,087	10,886,850
Accumulated depreciation	(2,392,121)	(1,368,982)	(1,365,036)	(5,126,139)
Net book amount	<u>3,877,616</u>	<u>1,526,044</u>	<u>357,051</u>	<u>5,760,711</u>

Accounting policy**(a) Land and buildings**

Freehold land and buildings are carried at cost less any accumulated depreciation and any impairment in value.

(b) Plant and equipment, poker machines

Plant and equipment and poker machines are carried at cost less any accumulated depreciation and any impairment in value.

(c) Depreciation

Depreciation is calculated on a straight line basis over the estimated useful life of the asset as follows:

Buildings	10 - 40 years
Plant & Equipment	3 - 20 years
Poker Machines	6 years

(d) Impairment

Property, plant and equipment are tested for impairment whenever events or circumstances indicate that the asset may be impaired.

For impairment assessment purposes, assets are generally grouped at the lowest levels for which there are largely independent cash inflows ('cash generating units'). Accordingly, most assets are tested for impairment at the cash generating unit level. An impairment loss is recognised when the carrying amount of an asset or cash generating unit (to which the asset belongs) exceeds its recoverable amount.

Significant accounting estimates and judgements

The useful life of property, plant and equipment is initially assessed at the date the asset is ready for use and reassessed at each reporting date based on the use of the assets and the period over which economic benefits will be derived from the asset. There is uncertainty in relation to the assessment of the life of the asset including factors such as the rate of wear and tear and technical obsolescence. The estimates and judgements involved may impact the carrying value of the non-current assets and the depreciation and amortisation charges recorded in the statement of profit or loss and other comprehensive income should they change.

Notes to the financial statements

For the year ended 31 May 2025

10 Investment properties

	2025	2024
	\$	\$
Non-current assets - at fair value		
Opening balance at 1 June	1,765,000	-
Transfer from Other assts	-	1,730,000
Net gain / (loss) from fair value adjustment	-	35,000
Closing balance at 31 May	<u>1,765,000</u>	<u>1,765,000</u>

Accounting policy

Initially, investment properties are measured at cost including transaction costs. Subsequent to initial recognition investment properties are stated at fair value. To obtain the fair value, market appraisals are obtained by the Club from external valuers at least every 3 years. Gains or losses arising from changes in the fair values of the investment properties are included in the statement of profit or loss and other comprehensive income in the year in which they arise.

Significant accounting estimates and judgements

The fair value of the investment property is estimated at each reporting date, based on independent assessments of the market value of the properties and the best available knowledge of current market prices. Estimation uncertainty exists and is related to the various assumptions used in determining the fair value.

11 Intangible assets

	Poker machine entitlements	Total
		\$
Non-current assets		
As at 31 May 2024		
Cost	96,000	96,000
Net book amount	<u>96,000</u>	<u>96,000</u>
As at 31 May 2025		
Cost	96,000	96,000
Net book amount	<u>96,000</u>	<u>96,000</u>

Accounting estimates and judgements

Poker machine entitlements are intangible assets acquired separately and are capitalised at cost, the useful lives of these intangible assets are assessed to be indefinite. These are tested for impairment annually or whenever there is an indication that the intangible asset may be impaired. The value shown for the Poker machine entitlements, being their cost plus transaction costs, were tested for impairment having regard to the market value of such entitlements and the cash flow generated from holding these assets, with no impairment loss adjustment required.

12 Trade and other payables

	2025	2024
	\$	\$
Current		
Trade payables	74,039	97,602
Other payables and accruals	94,606	147,058
GST payable	11,768	26,384
	<u>180,413</u>	<u>271,044</u>

Accounting policy

Trade and other payables, including accruals, are recorded initially at fair value and subsequently at amortised cost. Trade and other payables are non-interest bearing. Trade accounts payable are normally settled within 30 days.

Notes to the financial statements

For the year ended 31 May 2025

13 Financial liabilities	2025	2024
	\$	\$
Current		
<i>Secured</i>		
Business market loan	-	93,336
Investment property loan - (i)	32,569	-
Equipment loans (ii)	71,715	52,125
<i>Unsecured</i>		
Insurance loan	36,627	31,907
Total current financial liabilities	<u>140,911</u>	<u>177,368</u>
Non-current		
<i>Secured</i>		
Business market loan	-	1,126,069
Investment property loan - (i)	1,052,434	-
Total non-current financial liabilities	<u>1,052,434</u>	<u>1,126,069</u>

(i) Secured liabilities - Westpac investment property loan

The above Westpac investment property loan is secured by a registered Mortgage over property situated at Unit 9 & Unit 5, 114 Kahibah Road Kahibah NSW 2290. There is also a General Security Agreement over all existing and future assets and undertakings of the Club.

The Club has an unused amount of \$257,752 available on the investment property loan facility as well as a further \$20,000 in unused overdraft facilities available.

(ii) Other secured liabilities

The equipment loans are secured by a fixed charge over the specific assets that are financed.

Accounting policy

Financial liabilities are initially recognised at fair value, net of transaction costs incurred. Borrowing costs are subsequently measured at amortised cost. Any difference between the proceeds (net of transaction costs) and the redemption amount is recognised in the statement of profit or loss and other comprehensive income over the period of the borrowings using the effective interest rate method.

Financial liabilities are classified as current liabilities unless the Club has a right to defer settlement of the liability for at least 12 months after the reporting period.

14 Provisions

Current		
Employee entitlements	60,901	44,726
Poker machine jackpots	12,526	14,229
	<u>73,427</u>	<u>58,955</u>
Non-current		
Employee entitlements	5,315	10,505
	<u>5,315</u>	<u>10,505</u>

15 Other liabilities

Current		
Contract liabilities - membership revenue	16,641	14,444
Income in advance	13,530	-
	<u>30,171</u>	<u>14,444</u>
Non-current		
Contract liabilities - membership revenue	4,184	4,184
	<u>4,184</u>	<u>4,184</u>

Notes to the financial statements

For the year ended 31 May 2025

16 Leases

The Club leases the point-of-sale hardware.

	2025	2024
	\$	\$
a) Lease assets		
Carrying amount of lease assets, by class of underlying asset:		
Plant and equipment	84,937	54,016
Poker machines	191,194	83,754
	<u>276,131</u>	<u>137,770</u>

Reconciliation of lease assets	Plant and Equipment	Poker Machines	Total	Total
	\$	\$	\$	\$
Carrying amount at the beginning of the year	54,016	83,754	137,770	172,400
Additions	52,136	135,818	187,954	-
Disposals	(1,555)	-	(1,555)	-
Amortisation	(19,660)	(28,378)	(48,038)	(34,630)
Carrying amount at the end of the year	<u>84,937</u>	<u>191,194</u>	<u>276,131</u>	<u>137,770</u>

b) Lease liabilities	Plant and Equipment	Poker Machines	Total	Total
	\$	\$	\$	\$
Current				
Lease liabilities	17,570	58,967	76,537	59,376
Non-current				
Lease liabilities	60,131	82,733	142,864	42,313
Total	<u>77,701</u>	<u>141,700</u>	<u>219,401</u>	<u>101,689</u>

Reconciliation of lease liabilities	Plant and Equipment	Poker Machines	Total	Total
	\$	\$	\$	\$
Carrying amount at the beginning of the year	51,113	50,576	101,689	164,948
Additions	52,136	149,400	201,536	-
Disposals	(6,607)	-	(6,607)	-
Interest expense	7,665	1,940	9,605	9,545
Lease payments	(26,606)	(60,216)	(86,822)	(72,804)
Carrying amount at the end of the year	<u>77,701</u>	<u>141,700</u>	<u>219,401</u>	<u>101,689</u>

Maturity analysis of future lease payments

Not later than 1 year	27,515	58,967	86,482	72,805
Later than 1 year and not later than 5 years	64,457	82,733	147,190	28,884
Lease payments	<u>91,972</u>	<u>141,700</u>	<u>233,672</u>	<u>101,689</u>

Accounting policy

Lease assets are measured at cost less any accumulated impairment losses. Lease assets comprise the Club land and are not depreciated on a basis that is consistent with the expected pattern of consumption of the economic benefits embodied in the underlying asset which has been assessed as having an indefinite life.

Lease liabilities are measured at the present value of the remaining lease payments. Interest expense on lease liabilities is recognised in profit or loss. Variable lease payments not included in the measurement of lease liabilities are recognised as an expense in the period in which they are incurred.

Lease payments made in relation to leases of 12-months or less and leases of low value assets (for which a lease asset and a lease liability has not been recognised) are recognised as an expense on a straight-line basis over the lease term.

At the commencement date of the lease, the lease liability is initially recognised for the present value of non-cancellable lease payments discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the 's incremental borrowing rate. The weighted average incremental borrowing rate is 7.46%.

Lease assets are tested for impairment whenever events or circumstances indicate that the asset may be impaired.

Notes to the financial statements

For the year ended 31 May 2025

16 Leases (continued)

For impairment assessment purposes, assets are generally grouped at the lowest levels for which there are largely independent cash inflows ('cash generating units'). Accordingly, most assets are tested for impairment at the cash generating unit level. An impairment loss is recognised when the carrying amount of an asset or cash generating unit (to which the asset belongs) exceeds its recoverable amount.

Significant accounting estimates and judgements

The useful life of lease assets (where useful life is greater than the lease term) is initially assessed at the date the asset is ready for use and reassessed at each reporting date based on the use of the assets and the period over which economic benefits will be derived from the asset. There is uncertainty in relation to the assessment of the life of the asset including factors such as the rate of wear and tear and technical obsolescence. The estimates and judgements involved may impact the carrying value of the non-current assets and the depreciation and amortisation charges recorded in the statement of profit or loss and other comprehensive income should they change.

17 Reserves

	General	Total
	\$	\$
Balance at 1 June 2024	2,086	2,086
Balance at 31 May 2025	<u>2,086</u>	<u>2,086</u>

- (i) *Nature and purpose of reserves*
Historical carry forward balance on change to co-operative with no share capital.

18 Contingent liabilities

(a) <i>Contingent liabilities</i>		
Bank guarantee substituting for a security deposit for TAB facilities	<u>5,000</u>	<u>5,000</u>

19 Related parties

Transactions between related parties are on normal commercial terms and conditions, and are no more favourable than those available to other parties unless otherwise stated.

(a) <i>Key management personnel compensation</i>		
Total key management personnel benefits	<u>188,409</u>	<u>175,871</u>

20 Remuneration of auditors

<i>Auditor of the company</i>		
Audit of the financial statements	23,400	24,100
Other services - consulting services	8,600	1,000
	<u>32,000</u>	<u>25,100</u>

Directors' declaration

In the Directors' opinion:

- (a) The financial statements, and notes set out on pages 7 to 19 are in accordance with the *Co-operatives National Law (NSW)*, including:
 - (i) complying with Australian Accounting Standards - Simplified Disclosures and the *Co-operatives National Regulations (NSW)*; and
 - (ii) giving a true and fair view of the Club's financial position as at 31 May 2025 and of its performance for the financial year ended on that date; and
- (b) there are reasonable grounds to believe that the Club will be able to pay its debts as and when they become due and payable.

This declaration is made in accordance with a resolution of the Directors.



Sarah McEwan - Chairperson



Todd McEwan - Deputy Chairperson

Dated: 28 July 2025
Kahibah, NSW

Independent auditor's report to the members of Kahibah Bowling Club Co-operative Limited

Opinion

We have audited the financial report of Kahibah Bowling Club Co-operative Limited (the Club) which comprises the statement of financial position as at 31 May 2025, the statement of profit or loss and other comprehensive income, the statement of changes in equity and the statement of cash flows for the year then ended, notes to the financial statements, including material accounting policy information, and the Directors' declaration.

In our opinion, the accompanying financial report of Kahibah Bowling Club Co-operative Limited is in accordance with the *Co-operatives National Law (NSW)*, including:

- (i) giving a true and fair view of the Clubs financial position as at 31 May 2025 and of its financial performance for the year then ended; and
- (ii) complying with Australian Accounting Standards - Simplified Disclosures and the Co-operatives National Regulations (NSW).

Basis for opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Report* section of our report. We are independent of the Club in accordance with the auditor independence requirements of section 307C of the *Corporations Act 2001* and the ethical requirements of the APES 110 *Code of Ethics for Professional Accountants (Including Independence Standards)* (the Code) that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Other information

The Directors are responsible for the other information. The other information comprises the information included in the Club's Directors' report for the year ended 31 May 2025, but does not include the financial report and our auditor's report thereon.

Our opinion on the financial report does not cover the other information and accordingly we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial report, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial report or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing further to report in this regard.

Responsibilities of the Directors for the financial report

The directors of the Club are responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards - Simplified Disclosures and the *Co-operative National Law (NSW)*, and for such internal control as the director determine is necessary to enable the preparation of the financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

In preparing the financial report, the Directors are responsible for assessing the Club's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Directors either intend to liquidate the Club or to cease operations, or have no realistic alternative but to do so.

Matters relating to the electronic presentation of the audited financial report

The auditor's report relates to the financial report of the Club for the year ended 31 May 2025 included on the Club's web site. The Club's Directors are responsible for the integrity of the Club's web site. We have not been engaged to report on the integrity of this web site. The auditor's report refers only to the statements named above. It does not provide an opinion on any other information which may have been hyperlinked to/from these statements. If users of this report are concerned with the inherent risks arising from electronic data communications they are advised to refer to the hard copy of the audited financial report to confirm the information included in the audited financial report presented on this web site.

Auditor's responsibilities for the audit of the financial report

Our objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this financial report.

As part of an audit in accordance with the Australian Auditing Standards, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Club's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.

- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Club's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Club to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.



Shaun Mahony - Partner



Pitcher Partners NH Partnership
Chartered Accountants

Dated: 28 July 2025
Newcastle, NSW